



# **Menang Corporation (M) Berhad**

Registration No. : 196401000240 (5383-K)

## **QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020**

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**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**INTERIM REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2020**

	<b>Unaudited</b> <b>30 SEPTEMBER 2020</b> <b>RM'000</b>	<b>Audited</b> <b>30 JUNE 2020</b> <b>RM'000</b>
	<u>RM'000</u>	<u>RM'000</u>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Plant and equipment	193	207
Investment properties	53,425	53,466
Inventories	161,762	161,762
Operating financial assets	420,968	426,198
Investment in an associate	229	230
<b>Total non-current assets</b>	<b>636,577</b>	<b>641,863</b>
<b>Current assets</b>		
Inventories	28,795	28,795
Operating financial assets	21,232	21,232
Trade and other receivables	32,034	36,538
Tax assets	247	247
Deposits, cash and bank balances	43,189	49,092
	<b>125,497</b>	<b>135,904</b>
Assets of a disposal group classified as held for sale	<b>371,535</b>	<b>375,426</b>
<b>Total current assets</b>	<b>497,032</b>	<b>511,330</b>
<b>TOTAL ASSETS</b>	<b>1,133,609</b>	<b>1,153,193</b>

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**INTERIM REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2020 (continued)**

	Unaudited 30 SEPTEMBER 2020 RM'000	Audited 30 JUNE 2020 RM'000
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the Company</b>		
Share capital	240,400	240,400
Retained earnings	83,234	82,211
	<b>323,634</b>	322,611
<b>Non-controlling interests</b>	<b>84,084</b>	82,184
<b>Total equity</b>	<b>407,718</b>	404,795
<b>LIABILITIES</b>		
<b>Non current liabilities</b>		
Deferred tax liabilities	31,492	30,938
Loan and borrowings	308,594	339,315
<b>Total non-current liabilities</b>	<b>340,086</b>	370,253
<b>Current liabilities</b>		
Trade and other payables	60,864	67,627
Tax liabilities	4	-
Loan and borrowings	61,187	40,860
	<b>122,055</b>	108,487
Liabilities of a disposal group classified as held for sale	<b>263,750</b>	269,658
<b>Total current liabilities</b>	<b>385,805</b>	378,145
<b>Total liabilities</b>	<b>725,891</b>	748,398
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,133,609</b>	1,153,193
<b>Net assets per share (RM)</b>	<b>0.67</b>	0.67

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and of the Company for the year ended 30 June 2020.

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
INTERIM REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2020**

	Current Quarter Ended 30 SEP 2020 RM'000	Corresponding Quarter Ended 30 SEP 2019 RM'000	Current Year-to-Date 30 SEP 2020 RM'000	Corresponding Year-to-Date 30 SEP 2019 RM'000
<b>Continuing operations (Note A4)</b>				
Revenue	11,971	12,174	11,971	12,174
Operating expenses	(5,703)	(7,660)	(5,703)	(7,660)
Impairment losses	-	-	-	-
Reversal of impairment losses	50	-	50	-
Other operating income	41	20	41	20
Operating profit	6,359	4,534	6,359	4,534
Finance income	163	156	163	156
Investing results	(1)	(1)	(1)	(1)
Profit before interest and tax	6,521	4,689	6,521	4,689
Finance costs	(6,470)	(7,142)	(6,470)	(7,142)
Profit/(Loss) before tax	51	(2,453)	51	(2,453)
Taxation	(587)	738	(587)	738
Loss from continuing operations	(536)	(1,715)	(536)	(1,715)
<b>Discontinued operation</b>				
Results from discontinued operation, net of tax (Note A4)	3,459	3,345	3,459	3,345
<b>Profit for the year / Total comprehensive income</b>	<b>2,923</b>	<b>1,630</b>	<b>2,923</b>	<b>1,630</b>
<b>(Loss)/Profit / Total comprehensive (loss)/income attributable to:</b>				
Owners of the Company				
- continuing operations	(1,564)	(3,009)	(1,564)	(3,009)
- discontinued operation	2,587	2,506	2,587	2,506
	1,023	(503)	1,023	(503)
Non-controlling interests	1,900	2,133	1,900	2,133
	2,923	1,630	2,923	1,630
<b>Basic (loses)/earnings per share (sen)</b>				
- continuing operations	(0.33)	(0.63)	(0.33)	(0.63)
- discontinued operation	0.54	0.52	0.54	0.52
	0.21	(0.11)	0.21	(0.11)

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and of the Company for the year ended 30 June 2020.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**INTERIM REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2020**

	<Attributable to Owners of the Company>			Non - controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Retained earnings RM'000	Sub total RM'000		
<b>As at 1 July 2020</b>	240,400	82,211	322,611	82,184	404,795
<b>Total comprehensive income for the financial year</b>					
Profit for the financial period, representing total comprehensive income	-	1,023	1,023	1,900	2,923
<b>As at 30 September 2020</b>	<b>240,400</b>	<b>83,234</b>	<b>323,634</b>	<b>84,084</b>	<b>407,718</b>

**For the financial year ended 30 June 2020**

	<Attributable to Owners of the Company>			Non - controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Retained earnings RM'000	Sub total RM'000		
<b>As at 1 July 2019</b>	240,398	79,425	319,823	76,134	395,957
<b>Total comprehensive income for the financial year</b>					
Profit for the financial year, representing total comprehensive income	-	2,786	2,786	6,050	8,836
<b>Transactions with owners</b>					
Issuance of ordinary shares pursuant to warrant exercised, representing total transaction with owners	2	-	2	-	2
<b>As at 30 June 2020</b>	<b>240,400</b>	<b>82,211</b>	<b>322,611</b>	<b>82,184</b>	<b>404,795</b>

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and of the Company for the year ended 30 June 2020.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**INTERIM REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2020**

	<b>Unaudited</b> <b>30 SEPTEMBER 2020</b> <b>RM'000</b>	<b>Audited</b> <b>30 JUNE 2020</b> <b>RM'000</b>
	<u>RM'000</u>	<u>RM'000</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) before tax		
- continuing operations	51	(3,648)
- discontinued operations	4,632	18,857
	<u>4,683</u>	<u>15,209</u>
Adjustments for:		
Depreciation of investment properties	41	162
Depreciation of plant and equipment	14	57
Gain on disposal of plant and equipment	-	(8)
Impairment losses on trade receivables	-	128
Impairment losses on deposits		22
Interest expense	9,075	40,015
Interest income	(163)	(607)
Interest income on operating financial assets	(8,122)	(33,488)
Reversal of impairment losses on trade receivables	(50)	(22)
Share of results of an associate, net of tax	1	3
	<u>5,479</u>	<u>21,471</u>
<b>Operating profit before working capital changes</b>	<b>5,479</b>	<b>21,471</b>
Changes in working capital:		
Inventories	-	(1,306)
Operating financial assets	18,012	72,045
Trade and other receivables	2,317	111
Trade and other payables	(5,868)	(10,375)
Contract liability	674	2,698
	<u>20,614</u>	<u>84,644</u>
Cash from operations	20,614	84,644
Interest paid	-	(318)
Interest received	-	291
Tax paid	(1,231)	(5,118)
	<u>19,383</u>	<u>79,499</u>
Net cash from operating activities	19,383	79,499

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**INTERIM REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2020 (continued)**

	Unaudited 30 SEPTEMBER 2020 RM'000	Audited 30 JUNE 2020 RM'000
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Advances from an associate	-	(13)
Interest received	163	316
Proceed from disposal of plant and equipment	-	8
Purchase of plant and equipment	-	(46)
Placement of time deposits	-	(283)
Net cash from investing activities	163	(18)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Drawdown of term loans	-	40,000
Usage of credit card	1	-
Interest paid	(9,981)	(39,697)
Payment of lease liability	-	(7)
Proceed from issuance of shares	-	2
Advances from consortium parties	-	494
Repayment to directors	(60)	(155)
Repayment of term loans	(16,877)	(77,448)
Net cash used in financing activities	(26,917)	(76,811)
Net (decrease)/increase in cash and cash equivalents	(7,371)	2,670
Cash and cash equivalents at beginning of financial year	58,967	56,297
<b>Cash and cash equivalents at the end of financial period/ year as reported in statements of cash flows</b>	<b>51,596</b>	<b>58,967</b>
Add: Deposits pledged	9,481	9,478
Add: Bank overdraft	9,014	9,016
Less: Cash and cash equivalents of disposal group classified as held for sale (Note A4)	(26,902)	(28,369)
<b>Deposits, cash and bank balances at the end of financial period/year as reported in statements of financial position</b>	<b>43,189</b>	<b>49,092</b>

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and of the Company for the year ended 30 June 2020.

**PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134**

**A1. Basis of Preparation**

- (a) The interim financial report is unaudited and has been prepared in accordance with MFRS 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board, paragraph 9.22 of the Listing Requirements as well as Guidance on Disclosure in Notes to Quarterly Report (ICN 1/2017) of Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the Group's audited financial statements for the year ended 30 June 2020. The explanatory notes attached to the interim financial report provide an explanation of events and transactions that are significant to an understanding of the changes to the financial position and performance of the Group since the financial year ended 30 June 2020.

- (b) The accounting policies and presentation adopted for this interim financial report are consistent with those adopted for the financial statements for the financial year ended 30 June 2020 except for the adoption of the relevant new MFRSs, amendments to MFRSs and IC Interpretations that are effective for year beginning on or after 1 July 2019.

The adoption of the new MFRSs, amendments/improvements to MFRSs and IC Interpretations do not have any material impact on the financial position and results of the Group.

**A2. Audit Report for the Preceding Annual Financial Statements**

The auditors' report on the audited financial statements for the financial year ended 30 June 2020 was not qualified.

**A3. Seasonal or Cyclical Factors**

The Group's business operations were not significantly affected by any seasonal and cyclical factors for the quarter under review.

**A4. Nature and Amount of Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows That Are Unusual Because of Nature, Size or Incidence**

On 27 November 2019, the Board of Directors announced that the Group entered into a Heads of Agreement ("HOA") with Widad Group Berhad and a minority shareholder ("the parties") for the disposal of its entire 71% equity interests in a subsidiary, namely Inovatif Mewah Sdn Bhd ("IMSB") for a total sales consideration of RM122,000,000. On 24 June 2020, the parties have entered into a Share Sale Agreement ("SSA"). The assets and liabilities related to IMSB (part of the concession arrangements segment) have been presented as held for sale.



**PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134 (continued)**

**A4. Nature and Amount of Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows That Are Unusual Because of Nature, Size or Incidence (continued)**

*Impact on unaudited CSOFP as at 30 September 2020*

	Before MFRS 5 Adjustments RM'000	Reclass- ification RM'000	After MFRS 5 Adjustments RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Plant and equipments	193	-	193
Investment properties	53,425	-	53,425
Inventories	161,762	-	161,762
Operating financial asset	739,234	(318,266)	420,968
Investment in an associate	229	-	229
	954,843	(318,266)	636,577
<b>Current assets</b>			
Inventories	28,795	-	28,795
Operating financial asset	40,178	(18,946)	21,232
Receivables	39,456	(7,422)	32,034
Tax assets	247	-	247
Cash and cash equivalents	70,090	(26,901)	43,189
	178,766	(53,269)	125,497
<b>Assets clasified as held for sale</b>	-	371,535	371,535
<b>TOTAL ASSETS</b>	<u>1,133,609</u>	<u>-</u>	<u>1,133,609</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital	240,400	-	240,400
Retained earnings	83,234	-	83,234
	323,634	-	323,634
<b>Non-controlling interests</b>	84,084	-	84,084
<b>Total equity</b>	407,718	-	407,718
<b>Non current liabilities</b>			
Deferred tax liabilities	77,509	(46,017)	31,492
Borrowings	475,152	(166,558)	308,594
	552,661	(212,575)	340,086
<b>Current liabilities</b>			
Payables	63,406	(2,542)	60,864
Contract liability	18,088	(18,088)	-
Tax payables	571	(567)	4
Borrowings	91,165	(29,978)	61,187
	173,230	(51,175)	122,055
<b>Liabilities classified as held for sale</b>	-	263,750	263,750
<b>Total liabilities</b>	<u>725,891</u>	<u>-</u>	<u>725,891</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>1,133,609</u>	<u>-</u>	<u>1,133,609</u>

**PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134 (continued)**

**A4. Nature and Amount of Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows That Are Unusual Because of Nature, Size or Incidence (continued)**

*Impact on unaudited CSOCI for the Financial Period Ended 30 September 2020*

	Before MFRS 5 Adjustments RM'000	Reclass- ification RM'000	After MFRS 5 Adjustments RM'000
<b>Continuing operations</b>			
Revenue	22,181	(10,210)	11,971
Operating expenses	(8,676)	2,973	(5,703)
Impairment losses	-	-	-
Reversal of impairment losses	50	-	50
Other operating income	41	-	41
Operating profit	13,596	(7,237)	6,359
Finance income	163	-	163
Investing results	(1)	-	(1)
Profit before interest and tax	13,758	(7,237)	6,521
Finance costs	(9,075)	2,605	(6,470)
Profit/(Loss) before tax	4,683	(4,632)	51
Taxation	(1,760)	1,173	(587)
Profit/(Loss) from continuing operations	2,923	(3,459)	(536)
<b>Discontinued operation</b>			
Result from discontinued operation, net of tax	-	3,459	3,459
<b>Profit for the period / Total comprehensive income</b>	<b>2,923</b>	<b>-</b>	<b>2,923</b>
<b>Profit/(Loss) / Total comprehensive income/(loss) attributable to :</b>			
Owners of the Company			
- continuing operations	1,023	(2,587)	(1,564)
- discontinued operation	-	2,587	2,587
	1,023	-	1,023
Non-controlling interests	1,900	-	1,900
	2,923	-	2,923

**A5. Changes in Estimates**

There were no material changes in estimates for the quarter under review.

**PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134 (continued)**

**A6. Issuances, Repayment and Cancellations of Debt and Equity Securities**

There were no debt and equity securities issued, cancelled, repurchased, resold or repaid during the quarter under review.

**A7. Dividends**

No dividend has been paid, proposed or declared during the quarter under review.

**A8. Segmental Reporting**

Business Segments	3 months ended 30 September 2020					
	Investment Holdings RM'000	Property Development RM'000	Concession Arrangements RM'000	Other Operating Segments RM'000	Eliminations RM'000	Consolidation RM'000
<b>Continuing operations</b>						
Revenue from external customers	24	-	11,947	-	-	11,971
Inter-segment revenue	570	-	-	-	(570)	-
Total revenue	594	-	11,947	-	(570)	11,971
Segment results	(414)	(2,296)	9,072	(3)	-	6,359
Finance cost	(1,008)	(1)	(5,681)	-	220	(6,470)
Finance income	22	289	72	-	(220)	163
Investing results	(1)	-	-	-	-	(1)
(Loss)/Profit before tax	(1,401)	(2,008)	3,463	(3)	-	51
Taxation	(1)	(10)	(576)	-	-	(587)
(Loss)/Profit after tax	(1,402)	(2,018)	2,887	(3)	-	(536)
<b>Result from discontinued operation, net of tax</b>	-	-	3,459	-	-	3,459
(Loss)/Profit for the financial year	(1,402)	(2,018)	6,346	(3)	-	2,923

**PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134 (continued)**

**A8. Segmental Reporting (continued)**

Business Segments	As at 30 September 2020					
	Investment Holdings RM'000	Property Development RM'000	Concession Arrangements RM'000	Other Operating Segments RM'000	Eliminations RM'000	Consolidation RM'000
<b>Continuing operations</b>						
Total assets	19,684	270,651	471,628	111	-	762,074
Total liabilities	46,064	46,520	369,546	11	-	462,141
<b>Discontinued operation</b>						
Total assets	-	-	371,535	-	-	371,535
Total liabilities	-	-	263,750	-	-	263,750

**A9. Material Events Subsequent to the End of the Period Reported**

There is no material event subsequent to the end of period reported.

**A10. Changes in the Composition of the Group**

There were no changes in the composition of the Group for the quarter under review.

**A11. Disclosure on Financial Instruments**

	Unaudited 30 September 2020	Audited 30 June 2020
Financial assets:		
- measured at amortised cost		
• Level 2		
○ Operating financial assets	442,200	447,430
• Level 3		
○ Deposits, cash and bank balances	43,189	49,092
○ Trade and other receivables, net of prepayments	30,813	35,410
	516,202	531,932
Financial liabilities:		
- measured at amortised cost		
• Level 2		
○ Loans and borrowings	40,329	40,000
• Level 3		
○ Loans and borrowings	329,452	340,175
○ Trade and other payables	60,864	65,222
	430,645	445,397

**PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134 (continued)**

**A12. Entities Becoming, or Ceasing to be, Investment Entities**

No entity is becoming or ceasing to be an Investment Entity during the quarter under review.

**A13. Disaggregation of Revenue**

Revenue of the Group can be disaggregated and categorised as follows:

	Quarter Ended 30 September 2020 RM'000	Financial Period Ended 30 September 2020 RM'000
<b>Continuing operations</b>		
Management fees	24	24
Interest income on operating financial assets	4,390	4,390
Maintenance income	3,293	3,293
Fair value of supplementary services	4,264	4,264
	11,971	11,971

**A14. Material Events and Transactions**

(a) *Write-down of inventories to net realisable value and the reversal of such a write-down*

There were no material inventories written down or reversed during the quarter under review.

(b) *Recognition of a loss from the impairment of financial assets, property, plant and equipment, intangible assets, assets arising from contracts with customers, or other assets, and the reversal of such an impairment loss*

There were no material impairments or reversal of impairments charged or credited during the quarter under review.

(c) *Reversal of any provisions for the costs of restructuring*

There were no material restructuring costs incurred during the quarter under review.

(d) *Acquisitions and disposals of items of property, plant and equipment*

There were no material acquisitions and disposals of property, plant and equipment during the quarter under review.

(e) *Commitments for the purchase of property, plant and equipment*

There were no material commitments to purchase any property, plant and equipment during the quarter under review.

**PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134 (continued)**

**A14. Material Events and Transactions (continued)**

(f) *Litigation settlements*

There were no material litigations settled during the quarter under review.

(g) *Corrections of prior period errors*

There were no material corrections of prior period error during the quarter under review.

(h) *Changes in the business or economic circumstances that affect the fair value of the entity's financial assets and financial liabilities, whether those assets or liabilities are recognised at fair value or amortised cost*

There were no material changes in the business or economic circumstances that affect the fair value of the Group's financial assets and financial liabilities during the quarter under review.

(i) *Loan default or breach of a loan agreement that has not been remedied on or before the end of the reporting period*

There were no material loan default or breach of a loan agreement during the quarter under review.

(j) *Related party transactions*

There were no material related party transactions during the quarter under review.

(k) *Transfers between levels of the fair value hierarchy used in measuring the fair value of financial instruments*

There were no material financial instrument transferred between levels of the fair value hierarchy during the quarter under review.

(l) *Changes in the classification of financial assets as a result of a change in the purpose or use of those assets*

There were no material change in the classification of financial assets during the quarter under review.

(m) *Changes in contingent liabilities or contingent assets*

There were no material contingent liability or contingent asset during the quarter under review.

**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B, PART A OF THE BURSA SECURITIES LISTING REQUIREMENTS AND GUIDANCE ON DISCLOSURES IN NOTES TO QUARTERLY REPORT (ICN 1/2017)**

**B1. Review of Performance**

**(a) Current Quarter Compared to Preceding Year's Corresponding Quarter's Results**

	Current quarter RM'000	Preceding year's corresponding quarter RM'000	Change Amount RM'000	Change Percentage %
<b>Continuing Operations</b>				
Revenue	11,971	12,174	(203)	(1.67)
Operating profit	6,359	4,534	1,825	40.25
Profit before interest and tax	6,521	4,689	1,832	39.07
Profit/(Loss) before tax	51	(2,453)	2,504	(102.08)
Loss after tax	(536)	(1,715)	1,179	(68.75)
<b>Discontinued Operation</b>				
Results for the quarter, net of tax	3,459	3,345	114	3.41
<b>(Loss)/Profit attributable to ordinary equity holders of the parent</b>				
Continuing operations	(1,564)	(3,009)	1,445	(48.02)
Discontinued operations	2,587	2,506	81	3.23

The Group's continuing operations recorded improved results in the current quarter as compared to the preceding year's corresponding quarter. This was mainly due to one off expenses on land clearing and earthworks incurred in the preceding year's corresponding quarter.

**(b) Financial Review for Current Period Compared to Preceding Year's Corresponding Period**

	Current period RM'000	Preceding year's corresponding period RM'000	Change Amount RM'000	Change Percentage %
<b>Continuing Operations</b>				
Revenue	11,971	12,174	(203)	(1.67)
Operating profit	6,359	4,534	1,825	40.25
Profit before interest and tax	6,521	4,689	1,832	39.07
Profit/(Loss) before tax	51	(2,453)	2,504	(102.08)
Loss after tax	(536)	(1,715)	1,179	(68.75)
<b>Discontinued Operation</b>				
Results for the period, net of tax	3,459	3,345	114	3.41
<b>(Loss)/Profit attributable to ordinary equity holders of the parent</b>				
Continuing operations	(1,564)	(3,009)	1,445	(48.02)
Discontinued operations	2,587	2,506	81	3.23

**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B, PART A OF THE BURSA SECURITIES LISTING REQUIREMENTS AND GUIDANCE ON DISCLOSURES IN NOTES TO QUARTERLY REPORT (ICN 1/2017) (continued)**

**B1. Review of Performance (continued)**

**(b) Financial Review for Current Period Compared to Preceding Year's Corresponding Period (continued)**

The Group's continuing operations recorded improved results in the current period as compared to the preceding year's corresponding period. This was mainly due to one off expenses on land clearing and earthworks incurred in the preceding year's corresponding period.

**B2. Financial Review for Current Quarter Compared with Immediate Preceding Quarter**

	Current quarter RM'000	Preceding quarter RM'000	Change Amount RM'000	Change Percentage %
<b>Continuing Operations</b>				
Revenue	11,971	12,007	(36)	(0.30)
Operating profit	6,359	3,382	2,977	88.02
Profit before interest and tax	6,521	3,583	2,938	82.00
Profit/(Loss) before tax	51	(2,767)	2,818	(101.84)
Loss after tax	(536)	(1,179)	643	(54.54)
<b>Discontinued Operation</b>				
Results for the period, net of tax	3,459	3,800	(341)	(8.97)
<b>(Loss)/Profit attributable to ordinary equity holders of the parent</b>				
Continuing operations	(1,564)	(1,761)	197	(11.19)
Discontinued operations	2,587	2,828	(241)	(8.52)

The Group's continuing operations recorded better operating profit, profit before interest and tax, profit before tax and loss after tax in the current quarter compared to the preceding quarter, mainly due to provisions made for goods and services tax in the preceding quarter.

The Group's discontinued operation recorded slightly lower profit in current quarter compared to the preceding quarter due to lower revenue and higher tax expenses.

**B3. Group's Prospects**

The on-going pandemic caused by the COVID-19 and the Movement Control Order ("MCO") continues to pose various challenges to the Group. The Group will continue to assess the market for viable and prudent business opportunities.

**B4. Profit forecast or profit guarantee**

Not applicable as no profit forecast or profit guarantee was published or provided.





**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B, PART A OF THE BURSA SECURITIES LISTING REQUIREMENTS AND GUIDANCE ON DISCLOSURES IN NOTES TO QUARTERLY REPORT (ICN 1/2017) (continued)**

**B7. Borrowings and debt securities (continued)**

**(a) Detailed explanation on the material changes in borrowings**

There were no new borrowings by the Group during the quarter under review.

**(b) Details of significant increase or reduction in borrowings**

The decrease in total borrowings for financial period ended 30 September 2020 compared to the financial year ended 30 June 2020 was due to scheduled repayments made to banks.

**(c) Weighted average interest rate of borrowings and proportion of debt that is based on the fixed interest rate and floating interest rate**

Combined both continuing and discontinued operations, the weighted average interest rate of borrowings is 6.27%. The Group's borrowings are subjected to fixed and floating interest rates at ratio of 7 : 93.

**(d) Borrowings that denominated in foreign currencies**

There are no borrowings denominated in foreign currencies.

**B8. Changes in Material Litigation**

There were no other updates on material litigation during the quarter under review.

**B9. Dividends**

No dividend has been proposed or declared during the current quarter under review.

**B10. Audit Report from the Group's Annual Report 2020**

The audit report from the Group's Annual Report 2020 was unqualified.

**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B, PART A OF THE BURSA SECURITIES LISTING REQUIREMENTS AND GUIDANCE ON DISCLOSURES IN NOTES TO QUARTERLY REPORT (ICN 1/2017) (continued)**

**B11. Profit before tax is arrived at after charging / (crediting):**

	Quarter Ended 30 September 2020 RM'000	Financial Period Ended 30 September 2020 RM'000
<b>Continuing Operations</b>		
Auditors' remuneration	45	45
Depreciation of investment properties	41	41
Depreciation of plant and equipment	14	14
Employee benefits expense	1,319	1,319
Expenses relating on short term leases	100	100
Fair value of supplementary services	(4,264)	(4,264)
Finance costs	6,470	6,470
Interest income	(163)	(163)
Interest income on operating financial assets	(4,390)	(4,390)
Reversal of impairment losses	(50)	(50)
Share of results of associate	1	1

By Order of the Board  
**MENANG CORPORATION (M) BERHAD**

**WONG YOUN KIM**  
COMPANY SECRETARY

27 November 2020